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STATE FOR EUR/CE JAMIE MOORE. COMMERCE FOR ITA/ECA/CSE  
SILVIA SAVICH

E.O. 12958: DECL: 11/24/2019  
TAGS: KCOR PGOV ECPS HU  
SUBJECT: SLAGER RADIO CEASES BROADCASTING

REF: BUDAPEST 787

Classified By: Economic Officer Steve Weston for reasons 1.4 (b) and (d).

¶1. (U) At midnight on November 18, having been denied its request for an injunction to prevent the transfer of its broadcasting license, American-owned Emmis Communication's Slager Radio ceased broadcasting in Hungary.

¶2. (U) Slager and Danubius Radio, the other long-term licensee, lost their broadcasting licenses in a widely suspect tender believed to be politically influenced (reftel). Both companies are pursuing their case in the courts, and a formal hearing is scheduled for December 17. Although Emmis had been actively exploring the option of broadcasting Slager's programs on another station's frequency, it announced on November 20 it would abandon its efforts and would leave Hungary.

¶3. (U) The case continues to draw domestic and international press attention. Nine chiefs of mission accounting for 85 percent of foreign direct investment in Hungary (the United States, Belgium, France, Germany, Great Britain, Japan, the Netherlands, Norway, and Switzerland) wrote an open letter to Prime Minister Bajnai, expressing concern about rising corruption and a recent series of unfriendly actions against foreign investors.

¶4. (C) Bajnai asked to meet with the chiefs of mission (COM) on November 23 to address their concerns. In a closed session, the Hungarian Prime Minister said he was very disturbed by Slager and similar cases. He thanked the COM's for the letter, agreeing it helped highlight a continuing problem in Hungary. The Prime Minister also conceded his lack of control over the Socialist faction in curbing abuses. Bajnai did commit, however, to establish a channel to discuss potential issues impacting foreign investors.

¶5. (SBU) On November 24, Bajnai issued a letter praising former National Radio and Television Board (ORTT) President Laszlo Majtenyi, who had resigned when he was overruled by other Board members in the Slager and Danubius tender. Bajnai wrote that Majtenyi stood as a "guaranty for impartiality, professional respectability, and public service," adding that Majtenyi's resignation was a warning that these values were not currently valid in the ORTT. In subsequent comments to the press, government spokesman Domokos Szollar stressed that although Prime Minister Bajnai by law had no authority over the ORTT, the Prime Minister had repeatedly said that the events surrounding the tender were "problematic," and not in the public interest. On November 23, Majtenyi announced that he will ask the public prosecutors' office to also review the case. The Prime Minister later announced his support for a Parliamentary investigative committee to review the decision.

¶6. (C) Comment: At this point, any resolution of the issue could only come through the numerous court cases surrounding the ORTT decision.

LEVINE